

**CITY OF ANNAPOLIS, MARYLAND**

Exhibit 5

**COMBINED STATEMENT OF CASH FLOWS**
**PROPRIETARY FUNDS**

Year Ended June 30, 2002

With Comparative Totals for the Year Ended June 30, 2001

	Internal Service Fund	Enterprise Funds
Cash flows from operating activities		
Cash received from customers	\$ -	12,745,107
Cash paid to suppliers for goods and services	(312,040)	(8,130,118)
Cash paid to employees for services	(47,447)	(5,208,103)
Other operating revenues	13,899 *	501,205
Net cash provided by (used for) operating activities	<u>(345,588)</u>	<u>(91,909)</u>
Cash flows from noncapital financing activities		
Operating grants received	-	1,953,623
Interfund advances	124,766	99,870
Repayment of interfund advances	-	(290,917)
Operating transfers from other funds	-	-
Net cash provided by noncapital financing activities	<u>124,766</u>	<u>1,762,576</u>
Cash flows from capital and related financing activities		
Acquisition of capital assets	-	(4,401,867)
Disposal of capital assets	-	1,704,485
Proceeds from issuance and transfers in of long term debt	-	-
Principal payments	-	(1,401,341)
Interest paid on debt	-	(662,943)
Contributed capital	-	4,387,823
Net cash used for capital and related financing activities	<u>-</u>	<u>(373,843)</u>
Cash flows from investing activities - earnings from investments	<u>50,688</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(170,134)</u>	<u>1,296,824</u>
Cash and cash equivalents at beginning of year	<u>2,195,343</u>	<u>1,628,133</u>
Cash and cash equivalents at end of year	<u>\$ 2,025,209</u>	<u>2,924,957</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (233,320)	(1,404,800)
Adjustments to reconcile operating Income (loss) to net cash provided by (used for) operating activities:		
Depreciation	-	1,637,842
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	4,243	(21,253)
Increase in inventories	-	(47,361)
Increase in prepaid expenses	-	-
Increase (decrease) in accounts payable	6,709	(13,574)
Increase in accrued expenses and other liabilities	(123,199)	(148,941)
Increase (decrease) in obligation for vacation benefits	(21)	45,952
Decrease in deferred revenue	-	(139,774)
Total adjustments	<u>(112,268)</u>	<u>1,312,891</u>
Net cash provided by (used for) operating activities	<u>\$ (345,588)</u>	<u>(91,909)</u>

The accompanying notes to general purpose financial statements are an integral part of this statement.

Totals	
(Memorandum Only)	
Year Ended	
June 30, 2002	June 30, 2001
12,745,107	14,326,541
(8,442,158)	(8,204,543)
(5,255,550)	(4,677,075)
515,104	368,263
<u>(437,497)</u>	<u>1,813,186</u>
1,953,623	1,675,303
224,636	525,590
(290,917)	(1,048,337)
-	560,600
<u>1,887,342</u>	<u>1,713,156</u>
(4,401,867)	(4,428,181)
1,704,485	488,614
-	-
(1,401,341)	(1,435,730)
(662,943)	(727,952)
<u>4,387,823</u>	<u>1,462,665</u>
<u>(373,843)</u>	<u>(4,640,584)</u>
50,688	123,735
<u>1,126,690</u>	<u>(990,507)</u>
<u>3,823,476</u>	<u>4,813,983</u>
<u>4,950,166</u>	<u>3,823,476</u>
(1,638,120)	54,755
1,637,842	1,582,432
(17,010)	(147,882)
(47,361)	(35,702)
-	(2,635)
(6,865)	303,498
(272,140)	142,781
45,931	(3,168)
<u>(139,774)</u>	<u>(80,893)</u>
<u>1,200,623</u>	<u>1,758,431</u>
<u>(437,497)</u>	<u>1,813,186</u>